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COMPETITIVE MARKETING: WORK THE MARKETING MIX

The concept of the marketing mix was developed by Neil Border at the Harvard Business School about 60 years ago. It contained eight parts covering what he called "The elements of marketing: advertising, promotion, selling, price, packaging, product, servicing and distribution." It was used by some marketers, but in the main it was a teaching aid in the classroom. That is, you could prepare your lectures using each of the elements.

Then, in the mid-60s, along came Jerome McCarthy with his "4 Ps"--product, price, place and promotion. A breakthrough in alliteration as well as in making his text a bestseller. And, as a mnemonic device, it worked perfectly--took the mix out of the classrooms--and into industry, turning it into a useful strategic and tactical tool. (Unless, of course, you thought everything in marketing had to start with a P.)

The problem with the "4 Ps" is that it tends to obscure the vital elements of each "P." For example, advertising, point-of-purchase and promotions were all under the Promotion "P."

So much for history. With the eight elements of the classical marketing mix, one can develop a checklist and then grade the marketing effort on a 1-10 scale, either on its own or in relation to major competition. While much of it may be subjective, it does pinpoint areas for further analysis. It is especially valuable as a discussion tool to resolve differing opinions among marketing team members.

Pricing

Today, "price" has the additional component of "value" in the consumer's mind. Let's take a new look at "pricing" in this broader context of "added value." (Note: Without a truly exclusive product or benefit, we have long maintained that the only differentiating factors between brands are price and image, with all of the latter's many characteristics. In many cases, price may actually create, or be synonymous with the image. Note the host of very expensive, and cult-like anti-aging products, leaning on the psychology of, "if it's that expensive, it must work!")

Advertising/Promotion

McCarthy put these together under one "P," but we have always looked at

them separately. As it is now evident that advertising has also morphed into distribution, it is more obvious that they are truly separate entities. Of course, a great deal of advertising is straightforward. Television, print and radio are the big three for straight ads. But where do you put sponsorship of a rock concert? A tie with a movie? Free tickets to Disneyland if you buy xxx? Cause marketing? These are all attempts to spread the reach of the budget and/or appeal to a specific target market. Here is where advertising and promotion become one.

The big change, of course, is electronic. It is not our place to suggest an infomercial or HSN, or MTV or The Food Channel, or any of the other 100 channels, but rather to recommend that as you view the mix, consider all of the alternatives.

Servicing

Originally, servicing referred to prompt delivery, the handling of returns, store credits and the like. Question for today. Doesn't "service" to the trade belong to the "distribution" component? (Thank you, Wal-Mart and technology.) And now the service component must include the consumer. Obviously, the original marketing mix names may not be working in today's environment.

Using the Mix

There is really only one factor to analyze when using the mix to contrast your marketing efforts with those of your competitor--a differentiating advantage. Or better still, a meaningful and sustainable, differentiating advantage. Having that edge is like having a gun in a knife fight.